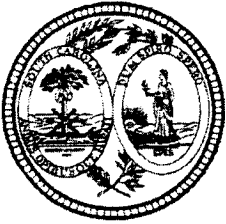


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*The Public Service Commission
State of South Carolina*

Charles L.A. Terreni
Chief Clerk/Administrator
Phone: (803) 896-5133
Fax: (803) 896-5246

2006-9 w/s

COMMISSIONERS
Randy Mitchell, Third District
Chairman
G. O'Neal Hamilton, Fifth District
Vice Chairman
John E. "Butch" Howard, First District
David A. Wright, Second District
Elizabeth B. "Lib" Fleming, Fourth District
Mignon L. Clyburn, Sixth District
C. Robert Moseley, At-Large

November 15, 2006

The Honorable Robert William Harrell
Speaker of the House of Representatives
506 Blatt Building
Columbia, South Carolina 29211

Dear Mr. Speaker:

The South Carolina Public Service Commission is respectfully submitting Document No. 3063 relating to revisions to the Commission's Water and Sewerage regulations for legislative review. Inquiries regarding these regulations should be addressed to Jocelyn Boyd or David Butler at (803) 896-5114.

Thank you for your attention regarding this matter.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Charles L.A. Terreni". The signature is written over the printed name and title.

Charles L.A. Terreni
Chief Clerk and Administrator

Enclosure

FILED

NOV 15 2006

S.C. LEGISLATIVE COUNCIL



***The Public Service Commission
State of South Carolina***

Charles L.A. Terreni
Chief Clerk/Administrator
Phone: (803) 896-5133
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Mignon L. Clyburn, Sixth District
C. Robert Moseley, At-Large

November 15, 2006

The Honorable Andre Bauer
President of the Senate
State House, 1st Floor
East Wing
P.O. Box 142
Columbia, South Carolina 29202

Dear Lieutenant Governor Bauer:

The South Carolina Public Service Commission is respectfully submitting Document No. 3063 relating to revisions to the Commission's Water and Sewerage regulations for legislative review. Inquiries regarding these regulations should be addressed to Jocelyn Boyd or David Butler at (803) 896-5114.

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Charles L.A. Terreni
Chief Clerk and Administrator

Enclosure

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NOV 15 2006

S.C. LEGISLATIVE COUNCIL

Document No. 3063
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
CHAPTER 103

Statutory Authority: 1976 Code Section 58-3-140

26 S.C. Code Ann. Regs. 103-500, *et. seq.* Sewerage Utilities
26 S.C. Code Ann. Regs. 103-700, *et. seq.* Water Utilities

Synopsis: In 2004, the General Assembly passed Act No. 175 which restructured the Public Service Commission. This Act modified the structure of the Agency and its functions and created the Office of Regulatory Staff. Several duties of the Public Service Commission were transferred to the Office of Regulatory Staff on January 1, 2005. The purpose of the revisions to 26 S.C. Code Ann. Regs. 103-500, *et. seq.* (1976 & Supp. 2005) and 26 S.C. Code Ann. Regs. 103-700, *et. seq.* (1976 & Supp. 2005) of the Public Service Commission's regulations is to amend Articles 5 and 7 to conform to the new standards set out by Act 175 of 2004.

Instructions: Print regulations in accordance with directions given below to show most current date of revised regulations:

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ARTICLE 5
SEWERAGE UTILITIES
SUBARTICLE 1
GENERAL

103-500. Authorization of Rules.

A. Section 58-5-210 of the Code of laws of South Carolina, 1976, provides: "That the Public Service Commission, is hereby, to the extent granted, vested with power and jurisdiction to supervise and regulate the rates and service of every public utility in this State, together with the power, after hearing, to ascertain and fix such just and reasonable standards, classifications, regulations, practices, and measurements of service to be furnished, imposed, observed and followed by every public utility in this State, and the State hereby asserts its rights to regulate the rates and services of every public utility as herein defined." In accordance with the above provisions the Public Service Commission has adopted the following rules and regulations and fixed the following standards to govern sewer service by public utilities. All previous rules or standards are hereby revoked, annulled, and superseded.

B. The adoption of these rules shall in no way preclude the Public Service Commission from altering, amending, or revoking them in whole or in part, or from requiring any other or additional service, equipment, facility, or standard, either upon complaint, upon the application of any utility, or upon its own motion. Furthermore, these rules shall not relieve either the commission or the Utilities of any duties prescribed under the laws of this State.

103-501. Application of Rules.

1. Jurisdiction. These rules shall apply to any person, firm, partnership, or association, establishment, corporation (except public utilities owned or operated by any municipality or agency thereof and/or any sewer authority specifically exempted by statute) which is now or may hereafter become engaged as a public utility in the business of collecting or treating sewerage for any sewerage customer within the State of South Carolina.
2. Purpose. These rules are intended to define good practice. They are intended to insure adequate and reasonable service. The Utilities shall assist the commission and the ORS in the implementation of these rules and regulations.
3. Waiver of Rules. In any case where compliance with any of these rules and regulations introduces unusual difficulty or where circumstances indicate that a waiver of one or more rules or regulations is otherwise appropriate, such rules or regulations may be waived by the commission upon a finding by the commission that such waiver is not contrary to the public interest.

103-502. Definitions.

103-502.1. Commission.

103-502.2. Customer.

Any person, firm, partnership, or corporation, or any agency of the Federal, State, or Local Government, being supplied with service by a utility under the jurisdiction of this commission. Customers shall be classified for purposes of applying rates as "residential", "commercial", or "industrial".

103-502.3. Customer Main Extension Fee.

A fee paid by a customer under a contract entered into by and between the utility and its customer providing terms for the extension of the utility's mains to service the customer.

103-502.4. Customer Service Line.

The portion of pipe on the customer's premises which transports sewerage from the customer's premises to the "utility service line".

103-502.5. Homeowners Association.

An association of lot owners located in a particular subdivision or development incorporated under the laws of this State as a non-profit corporation, including as one of its purposes, the operation of a sewerage system to serve the particular subdivision or development. Each homeowners association, prior to the commencement of operations of a sewerage system, shall file with the commission and provide a copy to the ORS (a) a certified copy of its certificate of incorporation; (b) a copy of the corporation's bylaws; (c) a copy of any declaration of covenants, conditions and restrictions on real property in the subdivision or development filed in conjunction with the formation of the homeowners association; (d) a copy of the permit or authorization from the Department of Health and Environmental Control issued to the homeowners association to operate the system, and (e) copies of a statement signed by each lot owner disclosing that the sewerage services in the subdivision are provided by a non-profit homeowners association, in which each lot owner is a voting member, and that an appropriate assessment to meet operating expenses of the Utility must be paid by each lot owner.

103-502.6. Main.

103-502.7. Premises.

A piece or tract of land or real estate, including buildings and other appurtenances thereon.

103-502.8. Rate.

The term "rate", when used in these rules and regulations, means and includes every compensation, charge, toll, rental, classification, or availability fee, or any of them, including tap fee, or other non-recurring charges demanded, observed, charged, or collected by any utility for any service offered by it to the public, and any rules, regulations, practices, or contracts affecting any such compensation, charge, toll, rental, classification, or availability fee. An application for approval of any rate schedule will not be accepted for filing under S.C. Code Ann., § 58-5-240

unless accompanied by the information specified under 103-512(4).

103-502.9. The Office of Regulatory Staff.

The executive director and employees of the Office of Regulatory Staff.

103-502.10. Tap Fee.

A non-recurring, non-refundable charge related to connecting the customer to the utility's system which includes the cost of installing the utility's service line from the main to the customer's premises and a portion of plant capacity which will be used to provide service to the new customer. Plant capacity shall be computed by using the Guide Lines for Unit Contributory Loadings to Wastewater Treatment Facilities (1972) to determine the single family equivalency rating. Any privately-owned corporation, firm, partnership, or individual empowered by contract, or otherwise, to collect a tap fee from a customer for the provision of sewerage service to that customer shall be considered a utility, and shall obtain commission approval prior to collecting tap fees, or any other rates for sewerage service. An application for approval of any rate change shall not be considered unless the filing contains appropriate exhibits setting forth all cost criteria justifying the tap fee, setting forth the portion of the tap fee related to installing the service line and the portion related to plant capacity.

103-502.11. Utility.

Every person, firm, partnership, association, establishment or corporation furnishing or supplying in any manner sewerage collection and/or sewerage disposal service to the public or any portion thereof, for compensation. A "homeowners association", as defined in 5 of this rule and subject to the requirements set forth herein, upon commission order, may be found not to be a utility.

103-502.12. Utility Service Line.

The portion of pipe which runs from the customer's premises to the main, and which receives sewerage from the "customer service line".

103-502.13. Sewerage or Wastewater Plant.

Plant and property owned by a utility, used in its business operations of providing sewerage collection and/or sewerage disposal service to its customers.

103-503. Authorization for Rates and Charges.

A. No schedule of rates, contracts, or rules and regulations, shall be changed until after the proposed change has been approved by the commission.

B. All rates, contract forms, and rules and regulations, proposed to be put into effect by any utility as defined in 103-502(11) shall be first approved by this commission before they shall become effective, unless they are exempt from such approval by statute or other provision of law.

C. No rate, contract, or rule and regulation of any utility under the jurisdiction of this commission shall be deemed approved or consented to by the mere filing of a schedule, or other evidence thereof, in the offices of the commission.

D. Each customer within a given classification (i.e., residential, commercial, or industrial) shall be charged the same approved rate, including tap fees, as every other customer within that classification, unless reasonable justification is shown for the use of a different rate, and a contract or tariff setting for the different rate has been filed and approved by the commission through the issuance of an order or directive.

103-504. Territory and Certificates.

No existing public utility supplying wastewater disposal to the public, or any individual, corporation, partnership, association, establishment, or firm undertaking the construction or acquisition of a utility, shall hereafter sell, acquire, transfer, begin the construction or operation of any utility system, or of any extension thereof, by the sale of stock or otherwise, without first obtaining from the commission a certificate that the sale, transfer, or acquisition is in the public interest, or that public convenience and necessity require or will require construction or operation of any utility system, or extension. Such certificate shall be granted only after the applicable information set forth in Subarticle 2, 103-510 et seq., has been filed with the commission and provided to the ORS, and after notice has been given to the Department of Health and Environmental Control and to other interested wastewater utilities, and to the public, and after due hearing. Provided, however, that this regulation shall not be construed to require any existing utility to secure a certificate for an extension within or to territory already served by it, necessary in the ordinary course of its business. But, if any utility in constructing or extending its lines, plant or system unreasonably interferes, or is about to unreasonably interfere, with the service or system of any other utility, the commission may make such order, and prescribe such terms and conditions, in harmony with this regulation, as are just and reasonable.

103-505. Utility Rules and Regulations.

Each utility shall adopt rules, regulations, operation procedure policies, terms and conditions, etc., as may be necessary in the operation of the Utility. Such service conditions and/or regulations shall be approved by and filed with the commission and provided to the ORS.

103-506. Security Issues.

A. No utility shall issue any securities without the approval of the commission. This rule shall not apply to any issue of securities payable within one year from the date of issue, except in case of subsequent issues made to refund such short-term obligations; but such short-term obligations may be renewed by similar obligations without the approval of the commission for an aggregate period not exceeding two years.

B. Any utility desiring to issue any securities may apply to the commission for approval of the proposed issue by filing an application with the commission and serving a copy on the ORS together with a statement verified by (1) its president and secretary or other appropriate officers; (2) two of its incorporators; or (3) by its owner or owners, if it is unincorporated, setting forth:

- (a) The amount and character of securities proposed to be issued;
- (b) The purpose for which they are to be issued;
- (c) The consideration for which they are to be issued;

(d) The description and estimated value of the property, if any, to be acquired through the proposed issue;

(e) The terms and conditions of the issuance; and

(f) The financial condition of the utility and its operations so far as relevant.

C. The commission shall determine whether the purpose of the issue is proper; shall value the property or services, if any, to be acquired by the issue; shall find and determine the amount of such securities reasonably necessary for the purpose for which they are to be issued. This determination shall follow such investigation as may be necessary, wherein the utility and any other interested party shall be entitled to be heard.

D. To the extent that the commission may approve the proposed issue, it shall grant to the utility a Certificate of Authority stating the character of the securities, the amount reasonably necessary for the purpose for which they are to be issued, and the value of any property or services, if any, to be acquired. This certification shall not impose or imply any guaranty or obligation as to such securities on the part of the commission.

SUBARTICLE 2

RECORDS AND REPORTS

103-510. Location of Records and Reports.

All records required by these rules are necessary for the administration thereof, shall be kept within an office located in this State, unless otherwise specifically authorized by the commission. These records shall be available for examination by the ORS or its authorized representatives at all reasonable hours.

103-511. Retention of Records.

Unless otherwise specified by the commission, or by regulations or commission Orders governing specific activities, all records required by these rules shall be preserved according to the most current edition of *Regulations to Govern the Preservation of Records for Electric, Gas and Water Utilities*, published by the National Association of Regulatory Utility Commissioners (NARUC). Following are certain modifications to those record retention periods:

(A) Item 30. Plant ledgers:

a. Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by class for the life of the utility.

b. Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc. of physical units (or items) of utility plant owned – life of the utility.

(B) Item 32. Retirement work in progress ledgers, work orders and supplemental records:

a. Work order sheets to which are posted the entries for removal costs, materials recovered and credits to utility plant accounts for cost of plant retired – life of the utility.

(C) Other – Records related to a test year used in a rate adjustment proceeding shall be preserved for a period of two years after the final order in such case or throughout the period that the Order by the Public Service Commission concerning the rate adjustment may be appealed, whichever is later. The utility shall maintain beyond this two-year period sufficient records to verify and substantiate all requirements included in these rules.

103-512. Data to be Filed with the Commission and Provided to the ORS.

103-512.1. Annual Report.

Each utility operating in the State shall file an annual report with the commission and provide a copy to the ORS giving accounting and other information as the commission orders. The commission or the ORS will provide an annual report form upon request. If the utility's books are maintained on a calendar year, the annual report must be filed on or before April 1st of each year. If the utility uses a fiscal year other than December 31st, the annual report should be filed within three months after the end of the fiscal year.

103-512.2. Current Information and Documents.

The utility shall file with the commission and provide a copy to the ORS the following documents and information, and shall maintain such documents and information in a current status.

103-512.2. 1. Tariff.

A copy of each schedule of rates and charges for service, together with the applicable riders, including any rules and regulations, or terms and conditions describing policies and practices of rendering service shall be provided to the commission and the ORS.

103-512.2. 2. Special Contract Forms.

A copy of each special contract for service, including aid to construction agreements, and rate agreements shall be provided to the commission and the ORS.

103-512.2. 3. Customer Bill.

A copy of each type of customer bill form, which shall include the information which is normally shown on a customer's bill for service shall be provided to the ORS.

103-512.2. 4. Operating Area Maps. A map of the utility's operating area.

This map shall be revised and submitted to the ORS annually unless such revision is unnecessary, in which event the utility shall notify the ORS that the map on file is current. The map should show:

- (a) Location of transmission lines, pumping stations, waste treatment plants and discharge points;
- (b) Mains by size;
- (c) Service area clearly drawn on operating area map using proper surveying standards;
- (d) Names of all communities (post offices) served; and

(e) Capacity of the system.

103-512.2. 5. Authorized Utility Representative.

The utility shall advise the commission and ORS of the name, title, address, and telephone number of the person who should be contacted in connection with:

- (a) General management duties;
- (b) Customer relations (complaints);
- (c) Engineering operations; and
- (d) Emergencies during non-office hours.

103-512.3. Performance Bond.

Prior to operating, maintaining, acquiring, expanding or improving any utility system, for which commission approval is required, the utility shall have on file with the commission and provide a copy to the ORS a performance bond with sufficient surety using a format prescribed by the commission.

103-512.3. 1. Amount of Bond.

The amount of bond shall be based on, but not limited to, the total amount of the following categories of expenses for twelve months: Operation and Maintenance Expenses, General and Administrative Expenses, Taxes Other Than Income Taxes, Income Taxes, and Debt Service including Interest Expenses. The minimum amount of the bond shall be \$100,000 and the maximum amount of the bond shall be \$350,000 based on the verified expenses of the utility for the preceding twelve-month period. A bond shall be required for each water and wastewater provider under the jurisdiction of the Public Service Commission. A certification that the face amount of the bond on file with the commission complies with the provisions of 103-512.3.1 of this rule shall be filed with the annual report required by 103-512.1 of this rule. The ORS shall review the annual reports and certifications and determine whether the present bond of the utility accurately reflects the expenses of the utility. Based upon the expenses of the utility as submitted in the annual report and as reviewed and adjusted by the ORS, the ORS shall make recommendations for increasing or reducing the amount of the bond within the minimum and maximum limits as prescribed by statute.

103-512.3. 2. Sureties.

103-512.3. 3. Financial Statement.

Upon order of the commission, when any individual acts as surety, he shall file with the commission and provide a copy to the ORS annually a financial statement verified by said surety showing the individual surety's personal assets, liabilities, and net worth. The commission may accept a verification of the financial statement in a format prescribed by the commission, including third-party verification.

103-512.4. Rate Applications.

A. When a utility makes application for an increase in existing rates and charges, such application shall not be accepted for filing unless it contains the following information:

- 1) A statement of reason justifying the need for the proposed rate adjustments;
- 2) Current income and expense statement for the preceding twelve months;
- 3) Proposed rate schedule;
- 4) Test year proposed to be used;
- 5) Pro-forma income and expense statement using proposed rates applied to proposed test year;
- 6) Balance sheet;
- 7) Depreciation schedule by categories of plant or average service lives;
- 8) Number of present and expected customers in the following twelve months;
- 9) Cost justifications for proposed rates and charges, including tap fees, with attached schedules depicting labor costs, materials costs, and miscellaneous costs;
- 10) Filing or updating of performance bond in accordance with 3 of this rule;
- 11) Current or updated service area map;
- 12) Statement of total plant investment;
- 13) Most recent letter of approval from the Department of Health and Environmental Control;
- 14) Customer bill form;
- 15) Annual Report on file and evidence of last period Gross Receipts paid; and
- 16) Any other pertinent or relevant information determined necessary by the commission.

B. When any utility makes application for establishment of a service area and rates and charges, such application shall contain the following information:

- 1) Copy of articles of incorporation or partnership agreement;
- 2) Plat of proposed area to be served;
- 3) Copy of engineering plans and specification designed or certified to be in accordance with good engineering practices by a professional engineer registered in South Carolina;
- 4) Construction permit from the South Carolina Department of Health and Environmental Control

approving the engineering plans and specifications;

- 5) Schedule of proposed rates and charges and cost justifications including tap fees with attached schedules depicting labor costs, materials costs, and miscellaneous costs;
- 6) Number of customers proposed to be served and the capacity of the system;
- 7) Financial statement showing proposed plant investment by categories;
- 8) Depreciation schedule by categories of plant or average service lines;
- 9) Pro-forma income and expense statement showing the effect of using the proposed rates based on plant capacity;
- 10) Filing of performance bond in accordance with 3 of this rule;
- 11) Statement by a professional engineer that the system was built and installed according to plans and specifications on file with the commission and will furnish adequate service for the area to be served;
- 12) Letter from the South Carolina Department of Health and Environmental Control approving the system for operation;
- 13) Customer bill form; and
- 14) Any other pertinent or relevant information determined necessary by the commission.

103-513. Inspection of Plant and Equipment.

A. Each utility shall, upon request of the ORS, provide to the ORS a statement regarding the condition of the waste treatment facility and the adequacy of the treatment provided by the facility as determined by the Department of Health and Environmental Control and any other information concerning the plant, equipment, facilities and service in such a form as the commission may require or as the ORS may request.

B. Each utility shall keep sufficient records to give evidence of compliance with its inspection program as set forth in Subarticle 6, 103-560 et. seq.

103-514. Interruption of Service/Violation of Rules.

A. Each utility shall keep a record of any condition resulting in any interruption of service affecting its entire system or major division thereof, or any single community or an important division of a community, including a statement of the time, duration, and cause of any such interruption. The commission and the ORS should be notified of any interruption lasting more than six hours as soon as it comes to the attention of the utility and a complete report made after restoration of service.

B. Each utility shall make all reasonable efforts to prevent interruptions of service and, when such interruptions occur, shall endeavor to re-establish service with the shortest possible delay consistent with the safety of its consumers and the general public. Scheduled interruptions shall always be preceded by adequate notice to all affected customers.

C. All Wastewater Utilities under the jurisdiction of the commission shall file with the commission and the ORS in writing a notice of any violation of PSC or DHEC rules which affect the service provided to its customers. This notice shall be filed within 24 hours of the time of the inception of the violation and shall detail the steps to be taken to correct the violation, if violation is not corrected at time of occurrence. The Company shall notify the commission and the ORS in writing within 14 days after the violation has been corrected.

103-515. Accidents.

Each utility shall, as soon as possible, report by telephone to the ORS each accident happening in connection with the operation of its property, facilities, or service, wherein any person shall have been killed or seriously injured or whereby any serious property damage shall have been caused. Such first report shall later be supplemented by a full statement provided to the ORS of the cause and details of the accident and the precautions, if any, which have been taken to prevent similar accidents.

103-516. Complaints.

103-517. Accounting Procedures.

All books and records of the utility shall be maintained in accordance with the NARUC Uniform System of Accounts for Class A, B and C Sewerage Utilities to the extent applicable. Such records must be made available for examination by the ORS or its authorized representatives at all reasonable hours. Full cooperation will be provided by the utility during rate adjustment audits or compliance audits conducted by the ORS or its representatives.

SUBARTICLE 3

METERS

103-520. Change in Character of Service.

SUBARTICLE 4

CUSTOMER RELATIONS

103-530. Customer Information.

Each utility shall:

A. Maintain up-to-date maps, plans, or records of its entire force main collection systems, with such other information as may be necessary to enable the utility to advise prospective customers, and others entitled to the information, as to the facilities available for serving customers within its operating area.

B. Notify each affected customer in writing as prescribed by the commission of any proposed change in rates and charges. A certification that the above notice requirements has been met shall

be furnished to the commission by the utility prior to the public hearing.

C. Provide that a complete schedule, contract forms, rules and regulations, etc., as filed with the commission and provided to the ORS, shall also be on file in the local offices of the utility and shall be open to the inspection by the public.

D. Assist prospective customers in selecting the most economical rate schedule applicable.

E. Provide adequate means (telephone, etc.) whereby each customer can contact an authorized representative of the utility at all hours in cases of emergency or unscheduled interruptions of service.

F. Notify any customer making a complaint recorded pursuant to R.103-516 that the utility is under the jurisdiction of the commission and that the customer may notify the ORS of the complaint.

G. Inform each prospective customer from whom a deposit may be required of the provisions contained in R.103-531 and its subsections.

H. Inform each prospective customer that the customers service line and plumbing shall conform to all local plumbing codes, and in the absence of such codes shall conform to the Southern Standard Plumbing Code.

103-531. Customer Deposits.

103-531.1. Amount of Deposit.

103-531.2. Interest on Deposits.

A. Simple interest on deposits at the rate as determined by commission Order shall be paid by the utility to each customer required to make such deposit for the time it is held by the utility, provided that no interest need be paid unless the deposit is held longer than six months.

B. The interest shall be accrued annually and payment of such interest shall be made to the customer at least every two (2) years and at the time the deposit is returned.

C. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated, or on the date notice is sent to the customer's last known address that the deposit is no longer required.

103-531.3. Deposit Records.

103-531.4. Deposit Receipt.

103-531.5. Deposit Retention.

103-531.6. Unclaimed Deposits.

A record of each unclaimed deposit must be maintained for at least one year during which time the sewerage utility shall make a reasonable effort to return the deposit. Unclaimed deposits, together with accrued interest, shall be turned over to the South Carolina State Treasurer as

prescribed by law.

103-531.7. Deposit Credit

103-532. Customer Billing.

103-532.1. Customer Bill Forms

103-532.2. Late Payment Charges.

103-532.3. Payment by Check.

The utility at its option for good cause may refuse to accept a check tendered as payment on a customer's account and require payment in cash or other certified funds. Good cause must be justified by a sewerage utility by evidencing a credit history problem or by evidencing insufficient funds of the utility customer or applicant. For the purposes of this regulation, the sewerage utility may not consider indebtedness that was incurred by the customer or any member of his household more than six (6) years prior to the time of application.

103-532.4. Charges for Disconnection and Reconnection.

Whenever service is disconnected for violation of rules and regulations, nonpayment of bills or fraudulent use of service, or at the request of the customer the utility shall not be required to reconnect such service until any arrearages have been paid and a reconnection fee of two-hundred-fifty dollars (\$250.00) has been paid to the utility. A reconnection fee shall be reduced to thirty-five dollars (\$35.00) when disconnection has been made by the use of an elder valve or similar device.

103-532.5. Deferred Payment Plan.

The utility shall provide for the arrangement of a deferred payment plan to enable a residential customer to make payment by installments where such customer is unable to pay the amount due for service. The deferred payment plan shall require the affected customer to maintain his account current and pay not less than 1/6 of the outstanding balance for a period not to exceed six months. The outstanding balance may include the late payment charge authorized by R.103-532.2. Service to such customer shall not be terminated unless the utility has informed the customer that such deferred payment plan is available. A deferred payment plan is any agreement to extend or defer a payment cut-off date by more than 5 work days. If a customer fails to conform to the terms and conditions of such deferred payment plan, the utility may terminate service upon fifteen days written notice, with copies of such termination notice mailed to DHEC and the ORS.

103-533. Adjustment of Bills.

If it is found that a utility has directly or indirectly, by any device whatsoever, demanded, charged, collected or received from any customer a greater or lesser compensation for any service rendered or to be rendered by such utility than that prescribed in the schedules of such utility applicable thereto, then filed in the manner provided in Title 58 of the South Carolina Code of Laws; or if it is found that any customer has received or accepted any service from a utility for a compensation greater or lesser than that prescribed in such schedules; or if, for any reason, billing error has resulted in a greater or lesser charge than that incurred by the customer for the actual service rendered, then the method of adjustment for such overcharge or undercharge shall be

provided by the following:

1. **Customer Inadvertently Overcharged.** If the utility has inadvertently overcharged a customer as a result of a misapplied schedule or any other human or machine error, the utility shall at the customer's option credit or refund the excess amount paid by that customer or credit the amount billed as provided by the following:

(a) If the interval during which the customer was overcharged can be determined, then the utility shall credit or refund the excess amount charged during the entire interval provided that the applicable statute of limitations shall not be exceeded.

(b) If the interval during which the customer was overcharged cannot be determined, then the utility shall credit or refund the excess amount charged during the twelve-month period preceding the date when the billing error was discovered.

2. **Customer Inadvertently Undercharged.** If the utility has undercharged any customer as a result of a misapplied schedule, or any human or machine error, then the utility may recover the deficient amount as provided as follows:

(a) If the interval during which a customer was undercharged can be determined, then the utility may collect the deficient amount incurred during that interval up to a maximum period of six months.

(b) If the interval during which a consumer was undercharged cannot be determined, then the utility may collect the deficient amount incurred during the six-month period preceding the date when the billing error was discovered by the utility.

(c) The customer shall be allowed to pay the deficient amount, in equal installments added to the regular monthly bills, over the same number of billing periods which occurred during the interval the customer was subject to pay the deficient amount.

3. **Customer Willfully Overcharged.** If the utility has willfully overcharged any customer, the utility shall refund the difference, plus interest, as prescribed by the commission for the period of time that can be determined that the customer was overcharged.

4. **Customer Undercharged Because of Fraud or Willful Misrepresentation.** If the utility has undercharged any customer because of the customer's fraudulent actions or because the customer has willfully misrepresented a material fact resulting in an undercharge, or if it is shown that the customer is aware of any fraudulent or illegal action by another person such as tampering with the facilities owned by the utility and it is evident that such action benefits the customer, or if it is evident that a customer has knowledge of being undercharged without notifying the utility of such, then the utility may recover the deficient amount provided as follows:

(a) If the interval during which the customer was undercharged can be determined, then the utility shall collect the deficient amount incurred during that entire interval provided that the applicable statute of limitations is not exceeded.

(b) If the interval during which the customer was undercharged cannot be determined, then the utility shall collect the deficient amount incurred during the twelve-month period preceding the date when the billing error was discovered by the utility.

103-534. Application for Service.

- A. All applications for sewerage service may be made orally or in writing.
- B. The accepted application shall constitute a contract between the company and the applicant, obligating the applicant to pay for sewerage service in accordance with the utility's tariff currently on file with the Public Service Commission and the ORS, and to comply with rules and regulations.
- C. When a customer desires to have his service terminated, he must notify the utility and such notification may be orally or in writing. The utility shall be allowed a reasonable period of time after the receipt of such notice to terminate service.

103-535. Denial or Discontinuance of Service.

Service may be refused or discontinued for any of the reasons listed below. Unless otherwise stated, the customer shall be allowed a reasonable time in which to comply with the rule before service is discontinued.

- A. Without notice in the event of a condition determined by the utility, the commission by order, or the South Carolina Department of Health and Environmental Control to be hazardous or dangerous.
- B. In the event of customer use of equipment in such a manner as to affect adversely the utility's service to others.
- C. In the event of unauthorized use of the utility's service.
- D. For customer tampering with equipment furnished and owned by the utility. The customer shall make every reasonable effort to prevent tampering and shall notify the utility immediately of any tampering with damage to, or removal of any equipment.
- E. For violation of and/or non-compliance with these rules and regulations.
- F. For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulation by the commission.
- G. For failure of the customer to permit the utility reasonable access to its equipment.
- H. For non-payment of any amounts due for connection charges and/or for service rendered provided that the utility has made a reasonable attempt to effect collection and has given the customer the proper notice as required by R.103-535.1.
- I. For molesting or tampering with any service or sewerage pipe, or for illegally making connection into any sewerage line for the disposal of drainage surface waters.
- J. For failure of the customer to provide the utility with a deposit as authorized by R.103-531.
- K. For failure of the customer to furnish permits, certificates, and/or rights of way, as necessary to obtaining service, or in the event such permissions are withdrawn or terminated.

L. No sewer utility shall be required to furnish its sewerage service or to continue its service to any applicant who, at the time of such application, is indebted or any member of his household is indebted, under an undisputed bill to such sewer utility company for sewerage service previously furnished such applicant or furnished any other member of the applicant's household. However, for the purposes of this regulation, the sewer utility may not consider any indebtedness which was incurred by the applicant or any member of his household more than six (6) years prior to the time of application.

M. The utility may discontinue a customer's service should that customer be in arrears on an account for service at another premises unless the customer pays a reasonable amount of his arrears account and makes reasonable arrangement with the utility to amortize the balance of such past due or arrears account over a reasonable length of time, not to exceed twelve months.

N. For the reason that the customer's use of the utility's service conflicts with, or violates, orders, ordinances or laws, of the State or any subdivision thereof, or of the commission.

O. In the case of a landlord/tenant relationship where the tenant is the customer, the utility may require the landlord to execute an agreement wherein such landlord agrees to be responsible for all charges billed to that premises in accordance with the approved tariffs for that utility and the Rules of the commission, and said account shall be considered the landlord's and tenant's account. In the event the landlord refuses to execute such an agreement, the utility may not discontinue service to the premises unless and until the tenant becomes delinquent on his account or until the premises are vacated. The utility may discontinue service pursuant to R.103-535.1 if the account is delinquent or may discontinue service at the time the premises are vacated and the utility shall not be required to furnish service to the premises until the landlord has executed the agreement, and paid any reconnection charges.

P. No utility shall be required to furnish, or continue to furnish its sewerage service to any premises to which the utility has not inspected the service connection, provided however, if the utility has waived its right to inspect the service connection, it may not refuse to furnish nor refuse to continue service to the premises.

Q. For nonpayment of any connection charge properly imposed by the utility and owed by the customer provided that the utility has made a reasonable attempt to effect collection and has given the customer 30 days written notice, sent by certified mail to the customer's billing address, with a copy forwarded to the commission. A connection charge owed by a third party or a previous occupant or owner of premises is not deemed to be owed by the current customer, and that current customer's service may not be disconnected under such circumstances.

103-535.1. Notice Prior to Discontinuance of Service.

Before any sewerage service may be discontinued, the utility must give thirty (30) days written notice to the customer, by certified mail, unless R.103-535.A is applicable, with copies forwarded to the appropriate county health department and the ORS. At the expiration of the thirty (30) day period, the utility shall post a second notice by certified mail to the customer advising that in not less than 10 days nor more than 30 days, his service may be discontinued at any time without further notice. After the physical disconnection of any sewerage service, the Division of Environmental Health of the South Carolina Department of Health and Environmental Control and the ORS shall immediately be notified of the action and the name and address of the customer. Service will be terminated only on Monday through Thursday between the hours of

8:00 A.M. and 4:00 P.M., unless provisions have been made to have someone available to accept payment and reconnect service. The utility must inform the customer in the notice that the customer can contact the ORS if the customer disputes the discontinuance of service.

103-536. Insufficient Reasons for Denying Service.

103-537. Right of Access.

A. The authorized agents of the utility shall have the right of access to the customer's premises, at reasonable hours, for the purpose of inspecting the customer's sewerage connections and for any other purpose which is proper and necessary in the conduct of the utility's business.

B. When a sewerage line which is property of a utility is on the property of a resident in the utility's service area which is on file with the ORS, the resident shall provide reasonable access to the utility for maintenance thereof. Any damage done to the property by the utility shall be corrected by the restoration of comparable grass, shrubbery, and trees from nursery stock to conform with the condition before the maintenance process began.

103-538. Customer Complaints.

A. Complaints concerning the charges, practices, facilities, or service of the utility shall be investigated promptly and thoroughly. The utility shall keep such records of customer complaints as will enable it and ORS to review and analyze the utility's procedures and actions. All customer complaints will be processed pursuant to R.103-516 and R.103-530.F.

B. When the ORS has notified the utility that an oral complaint has been received concerning a specific account and such complaint has been received by the ORS before service is terminated, the utility shall not discontinue the service of that account until the ORS's investigation is completed and the results have been received by the utility. Service shall not be discontinued if the complainant requests in writing a hearing before the commission.

103-539. Tariff's Rules and Regulations.

A copy of the utility's tariffs as filed with this commission and provided to the ORS will be on file in the local business offices of the utility and shall be available for public inspection.

103-540. System Which Utility Must Maintain.

Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate and maintain in safe, efficient and proper conditions of all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery from systems or facilities owned by the customer.

103-541. Contracts.

No utility shall execute or enter into any agreement or contract with any person, firm, partnership, or corporation or any agency of the Federal, State or local government which would impact, pertain to, or effect said utility's fitness, willingness, or ability to provide sewerage service, including but not limited to the collection or treatment of said wastewater, without first submitting said contract in form to the commission and the ORS and obtaining approval of the commission.

SUBARTICLE 5

ENGINEERING

103-550. Good Engineering Practice.

103-551. Design and Construction Requirements

The design and construction of the sewerage plant shall conform to the requirements of the Bureau of Water of the South Carolina Department of Health and Environmental Control.

103-552. Minimum Pipe Size.

103-553. Adequacy of Sewerage Plant.

The capacity of the utility's plant for the collection, transmission, treatment and disposal of sewage, sewage effluent and other removed substances must be sufficiently large to meet all normal demands for service and provide a reasonable reserve for emergencies.

The utility shall furnish the ORS with the following:

- 1) Statement by the South Carolina Department of Health and Environmental Control that the design has been approved;
- 2) Statement by the South Carolina Department of Health and Environmental Control that the utility was installed according to plans and specifications;
- 3) Statement by a professional engineer that the utility design meets his approval and the utility was installed with the approval of a professional engineer; and
- 4) Copy of "as built" plans and specifications approved by a professional engineer.

103-554. Inspection of Sewerage Plant.

103-555. Service Pipe Connections.

A. Utility's Service Pipe--The utility shall install and maintain that portion of the service pipe from the main to the boundary line of the property being served, public road, or street under which such main may be located. The connection of the service pipe to the main must be made using appropriate wyes, saddles, or other acceptable fittings.

B. Customer's Service Pipe--The customer shall install and maintain that portion of the service pipe from the end of the utility's service pipe into the premises served. The portion of the service pipe installed and maintained by the customer shall conform to all reasonable rules and regulations of the utility. It must be constructed of approved materials and must be installed and maintained in accordance with accepted good practice and in conformance with applicable codes of governmental regulations. Each customer's service pipe shall serve no more than one customer.

C. Restrictions on Installation--A sewer service pipe shall not be laid in the same trench with water pipe unless the water service pipe is laid on a shelf on the side of the trench, not less than eighteen (18) inches above and not less than eighteen (18) inches horizontally away from the

sewer pipe.

D. Inspection--If a governmental agency requires an inspection of the customer's plumbing, the utility shall not connect the customer's service pipe until it receives a notice from that governmental agency certifying that the customer's plumbing conforms to those standards set by the agency.

E. Service Pipe Connection--The utility shall be responsible for providing the location for the connection of the customer's service pipe to the utility's service pipe or the utility's main, whichever is applicable, at the utility's expense, and at no expense to the customer. The utility shall have the right to inspect the service connection to the utility service line at the time of the completion of connection, and the service may not be provided to such connection until the utility inspects the service line.

103-556. Engineering Analysis.

A. The ORS may survey anticipated extensions of sewer lines and the utility will assist in such survey and provide all pertinent data necessary to determine the cost and feasibility of extending such lines.

B. The utility shall provide the ORS access to all utility property when the ORS undertakes to verify the inventories of utility plant systems, or obtain other necessary information.

SUBARTICLE 6

INSPECTION AND TESTS

103-560. Utility Inspection and Test.

103-561. ORS Inspection and Test.

When tests are conducted by the ORS, to insure that, or determine if, the provisions of these rules are being adhered to, each utility shall assist with such tests as requested, provided such request is in accordance with all legal requirements and sanctions.

103-562. Testing Facilities.

Each utility shall make such tests as are prescribed under these rules with such frequency and in such manner and at such places as is herewith provided or as requested by ORS or as may be approved or ordered by the commission.

103-563. Trouble Reports.

A. Each utility shall provide for the receipt of customer trouble reports at all hours and make a full and prompt investigation of all complaints. Each utility shall maintain an accurate record of trouble reports made by its customers. This record shall include appropriate identification of the customer or service affected the time, the date, and nature of the report, the action taken to alleviate the trouble or satisfy the complaint, and the date and time of trouble clearance or other disposition of the complaint. This record shall be available to the commission and ORS upon request at any time within the period prescribed for retention of such records.

B. Provisions shall be made to clear trouble of any emergency nature at all times, consistent with the needs of customers and the personal safety of utility personnel.

C. Provisions shall be made to keep all commitments to customers. If unusual repairs are required, or other factors preclude clearing of reported trouble promptly, reasonable efforts shall be made to notify affected customers.

103-564. Maintenance of Plant and Equipment.

SUBARTICLE 7

STANDARDS AND QUALITY OF SERVICE

103-570. Quality of Service.

103-571. Interruptions of Service.

A. Each utility shall make reasonable efforts to avoid interruptions of service, but when such interruptions occur, service shall be re-established within the shortest time practicable, consistent with considerations of safety.

B. Scheduled interruptions shall be made at a time that will not cause unreasonable inconvenience to customers and shall be preceded by adequate notice to those who will be affected.

C. Each utility shall maintain records and notify the commission and the ORS of any interruption in its service in accordance with 103-514.

SUBARTICLE 8

SAFETY

103-580. Acceptable Standards.

As criteria of accepted good safety practice the commission will use the applicable provisions of the standards referred to in 103-551.

103-581. Protective Measures.

A. Each utility shall exercise reasonable care to reduce the hazards to which its employees, its customers, and the general public may be subjected.

B. The utility shall give reasonable assistance to the ORS in the investigation of the causes of accidents and shall give reasonable assistance to the commission and the ORS in the determination of suitable means of accident prevention.

C. Each utility shall maintain a summary of all reported accidents arising from its operations.

103-582. Safety Program.

ARTICLE 7
WATER UTILITIES
SUBARTICLE 1
GENERAL

103-700. Authorization of Rules.

A. Section 58-5-210 of the Code of Laws of South Carolina 1976, provides: "That the Public Service Commission is hereby, to the extent granted, vested with power and jurisdiction to supervise and regulate the rates and service of every public utility in this State, together with the power, after hearing, to ascertain and fix such just and reasonable standards, classifications, regulations, practices, and measurements of service to be furnished, imposed, observed and followed by every public utility in this State, and the State hereby asserts its rights to regulate the rates and services of every public utility as herein defined. In accordance with the above provisions the Public Service Commission has adopted the following rules and regulations and fixed the following standards to govern water service by public utilities. All previous rules or standards are hereby revoked, annulled, and superseded."

B. The adoption of these rules shall in no way preclude the Public Service Commission from altering, amending, or revoking them in whole or in part, or from requiring any other or additional service, equipment, facility, or standard, either upon complaint, upon the application of any utility or upon its own motion. Furthermore, these rules shall not relieve either the commission or the utilities of any duties prescribed under the laws of this State.

103-701. Application of Rules.

1. Jurisdiction. These rules shall apply to any person, firm, partnership, association, establishment or corporation (except public utilities owned or operated by any municipality or agency thereof and/or any water authority specifically exempted by statute) which is now or may hereafter become engaged as a public utility in the business of furnishing water to any water consumer within the State of South Carolina.

2. Purpose. These rules are intended to define good practice. They are intended to insure adequate and reasonable service. The utilities shall assist the commission and the ORS in the implementation of these rules and regulations.

3. Waiver of Rules. In any case where compliance with any of these rules and regulations introduces unusual difficulty or where circumstances indicate that a waiver of one or more rules or regulations is otherwise appropriate, such rules or regulations may be waived by the commission upon a finding by the commission that such waiver is not contrary to the public interest.

103-702. Definitions.

103-702.1. Commission.

103-702.2. Curb Stop.

Valve controlling water flow located on the utility service line. Curb stops are for the exclusive use of the utility for control of the water supply to individual customers and should be located at or adjacent to the customer's property line but should not be located on the customer's premises. The control of the water supply by the customer shall be by means of a separate valve, installed by the customer, and located on his premises.

103-702.3. Customer.

Any person, firm, partnership or corporation, or any agency of the Federal, State or Local Government, being supplied with service by a utility under the jurisdiction of this commission. Customers shall be classified for purposes of applying rates as "residential", or "commercial", or "industrial".

103-702.4. Customer Contribution in Aid of Construction.

A fee paid by a customer under a contract entered into by and between the utility and its customers providing terms for the extension of the utility's mains to serve the customer.

103-702.5. Customer Service Line.

The portion of the distribution line that transports water from the meter, to the place of consumption on the customer's premises, or, if there is no meter, from the curb stop to the place of consumption on the customer's premises.

103-702.6. Error in Registration.

The percentage by which the correct registration varies from the meter registration. The error is derived by stopping the meter test hand at the starting point and then determining the percentage variation in registration as indicated by the working standard. The formula for determining the error in registration is:

$$100 \quad \times \quad \frac{(\text{Meter Reading}-\text{Actual Volume})}{(\text{Actual Volume})}$$

A positive percentage indicates a fast meter and a negative percentage indicates the meter is slow.

103-702.7. Homeowners Association.

An association of lot owners located in a particular subdivision or development incorporated under the laws of this state as a non-profit corporation, including as one of its purposes, the operation of a water system to serve the particular subdivision or development. Each homeowners association, prior to the commencement of operations of a water system, shall file with the commission and provide a copy to the ORS (a) a certified copy of its certificate of incorporation; (b) a copy of the corporation's bylaws; (c) a copy of any declaration of covenants, conditions and restrictions on real property in the subdivision or development filed in conjunction with the formation of the homeowners association; (d) a copy of the permit or authorization from the Department of Health and Environmental Control issued to the homeowners association to operate the utility; and (e) copies of a statement signed by each lot owner disclosing that the

water services in the subdivision are provided by a non-profit homeowners association, in which each lot owner is a voting member, and that an appropriate assessment to meet operating expenses of the utility must be paid by each lot owner.

103-702.8. Main.

A water pipe owned, operated or maintained, by a utility, which is used for the purpose of transmission or distribution of water, but does not include the "utility service line" or "customer service line".

103-702.9. Meter.

Any device, or instrument, which is used by a utility in measuring a quantity of water for billing purposes. The meter will be the property of, and will be maintained by, the utility.

103-702.10 The Office of Regulatory Staff.

The executive director and employees of the Office of Regulatory Staff.

103-702.11. Premises.

A piece or tract of land or real estate, including buildings and other appurtenances thereon.

103-702.12. Rate.

The term "rate" when used in these rules and regulations means and includes every compensation, charge, toll, rental, classification, or availability fee, or any of them, including tap fees, or other non-recurring charges demanded, observed, charged, or collected by any utility for any water service offered by it to the public, and any rules and regulations, practices, or contracts affecting any such compensation, charge, toll, rental or classification. An application for approval of any rate schedule will not be accepted for filing under S.C. Code Ann., § 58-5-240 unless accompanied by the information specified under 103-712(4).

103-702.13. Tap Fee.

A non-recurring, non-refundable charge related to connecting the customer to the utility's system which includes the cost of installing the utility's service line from the main to the customer's premises and a portion of plant capacity which will be used to provide service to the new customer. Plant capacity shall be computed by using the Guidelines for Unit Contributory Loadings to Wastewater Treatment Facilities (1972) to determine the single family equivalency rating. Any privately-owned corporation, firm, partnership, or individual empowered by contract, or otherwise, to collect a tap fee from a customer for the provision of water service to that customer shall be considered a utility, and shall obtain commission approval prior to collecting tap fees, or any other rates for water service. An application for approval of any rate change shall not be considered unless the filing contains appropriate exhibits setting forth all cost criteria justifying the tap fee, setting forth the portion of the tap fee related to installing the service line and the portion related to plant capacity.

103-702.14. Utility.

Every person, firm, partnership, association, establishment or corporation furnishing or supplying in any manner water to the public, or any portion thereof, for compensation. A "homeowners association", as defined in these rules and regulations and subject to the requirements set forth herein, upon commission order, may be found not to be a utility.

103-702.15. Utility Service Line.

The portion of the distribution line that transports water from a main to a meter, or if there is no meter, up to and including the curb stop.

103-702.16. Water Plant.

All facilities owned by the utility for the collection, production, purification, storage, transmission, metering, and distribution of potable water.

103-703. Authorization for Rates and Charges.

A. No schedule of rates, contracts, or rules and regulations, shall be changed until after the proposed change has been approved by the commission.

B. All rates, contract forms, or rules and regulations, proposed to be put into effect by any utility as defined in 103-702(14), shall be first approved by this commission before they shall become effective, unless they are exempt from such approval by statute or other provision of law.

C. No rate, contract, or rules and regulations of any utility under the jurisdiction of this commission shall be deemed approved or consented to by the mere filing of a schedule, or other evidence thereof, in the offices of the commission.

D. Each customer within a given classification (i.e., residential, commercial or industrial) shall be charged the same approved rate, including tap fees, as every other customer within that classification unless reasonable justification is shown for the use of a different rate or toll, and a contract or tariff setting forth the different rate has been filed and approved by the commission through the issuance of an order or directive.

103-704. Territory and Certificates.

No existing public utility supplying water to the public, or any individual, corporation, partnership, association, establishment or firm undertaking the construction or acquisition of a utility, shall hereafter sell, acquire, transfer, begin the construction or operation of any utility system, or of any extension thereof, by the sale of stock or otherwise, without first obtaining from the commission a certificate that the sale, transfer or acquisition is in the public interest, or that public convenience and necessity require or will require construction or operation of any utility system, or extension. Such certificate shall be granted only after the applicable information set forth in Subarticle 2, 103-710 et seq., has been filed with the commission and provided to the ORS, and after notice has been given to the Department of Health and Environmental Control and other interested water utilities, and to the public, and after due hearing; provided, however, that this regulation shall not be construed to require any existing water utility to secure a certificate for an extension within or to territory already served by it, necessary in the ordinary course of its

business. But, if any water utility in constructing or extending its lines, plant or system unreasonably interferes, or is about to unreasonably interfere, with the service or system of any other utility, the commission may make such order, and prescribe such terms and conditions, in harmony with this regulation, as are just and reasonable.

103-705. Utilities Rules and Regulations.

Each utility shall adopt rules, regulations, operation procedure policies, terms and conditions, etc., as may be necessary in the operation of the utility. Such service "conditions or regulations" shall be approved by and filed with the commission, along with certification that these rules are consistent with the rules of the commission and provided to the ORS.

103-706. Security Issues.

A. No utility shall issue any securities without the approval of the commission. This rule shall not apply to any issue of securities payable within one year from the date of issue, except in case of subsequent issues made to refund short term obligations; but such short term obligations may be renewed by similar obligations without the approval of the commission for an aggregate period not exceeding two years.

B. Any utility desiring to issue securities may apply to the commission for approval of the proposed issue by filing an application with the commission and serving a copy on the ORS, together with a statement verified by (1) its president and secretary or other appropriate officers; (2) two of its incorporators, or (3) by its owner or owners, if it is unincorporated, setting forth:

- (a) The amount and character of securities proposed to be issued;
- (b) The purpose for which they are to be issued;
- (c) The consideration for which they are to be issued;
- (d) The description and estimated value of the property, if any, to be acquired through the proposed issue;
- (e) The terms and conditions of the issuance; and
- (f) The financial condition of the utility and its operations so far as relevant.

C. The commission shall determine whether the purpose of the issue is proper; shall value the property or services, if any, to be acquired by the issue, and it shall find and determine the amount of securities reasonably necessary for the purpose for which they are to be issued. This determination shall follow such investigation as may be necessary, wherein the utility and any other interested party shall be entitled to be heard.

D. To the extent that the commission may approve the proposed issue, it shall grant to the utility a certificate of authority stating the character of the securities and the amount reasonably necessary for the purpose for which they are to be issued; and the value of any property or services, if any, to be acquired. This certification shall not impose or imply any guaranty or obligation as to such securities on the part of the commission.

SUBARTICLE 2

RECORDS AND REPORTS

103-710. Location of Records and Reports.

All records required by these rules are necessary for the administration thereof, shall be kept within an office located in this state, unless otherwise specifically authorized by the commission. These records shall be available for examination by the ORS or its authorized representatives at all reasonable hours.

103-711. Retention of Records.

Unless otherwise specified by the commission, or by regulations or commission Orders governing specific activities, all records required by these rules shall be preserved according to the most current edition of *Regulations to Govern the Preservation of Records for Electric, Gas and Water Utilities*, published by the National Association of Regulatory Utility Commissioners (NARUC). Following are certain modifications to those record retention periods:

(A) Item 30. Plant ledgers:

a. Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by class for the life of the utility.

b. Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc. of physical units (or items) of utility plant owned – life of the utility.

(B) Item 32. Retirement work in progress ledgers, work orders and supplemental records:

a. Work order sheets to which are posted the entries for removal costs, materials recovered and credits to utility plant accounts for cost of plant retired – life of the utility.

(C) Other – Records related to a test year used in a rate adjustment proceeding shall be preserved for a period of two years after the final order in such case or throughout the period that the Order by the Public Service Commission concerning the rate adjustment may be appealed, whichever is later. The utility shall maintain beyond this two-year period sufficient records to verify and substantiate all requirements included in these rules.

103-712. Data to be Filed with the Commission and Provided to the ORS.

1. Annual Report. Each utility operating in the State shall file an annual report with the commission and provide a copy to the ORS giving accounting, and other information as the commission directs.

The commission or the ORS will provide an annual report form upon request. If the utility's books are maintained on a calendar year, the annual report must be filed on or before April 1st of each year. If the utility uses a fiscal year other than December 31st, the annual report should be filed within three months after the end of the fiscal year.

2. Current Information and Documents. The utility shall file with the commission and provide a

copy to the ORS the following documents and information, and shall maintain such documents and information in a current status.

2.1. **Tariff.** A copy of each schedule of rates and charges for service, together with the applicable riders, including any rules and regulations or terms and conditions describing policies and practices in rendering service shall be provided to the commission and the ORS.

2.2. **Contract Forms.** A copy of each special contract for service, including aid to construction agreements, and rate or toll agreements shall be provided to the commission and the ORS.

2.3. **Customer Bill.** A copy of each type of customer bill form, which shall include the information which is normally shown on a customer's bill for service shall be provided to the ORS.

2.4. **Operating Area Maps.** A map of the utility's operating area. This map shall be revised annually and provided to the ORS unless such revision is unnecessary, in which event the utility shall notify the ORS that the map on file is current. The map should show:

- (a) Location of pumping stations, purification plants and sources of supply;
- (b) Potable water storage facilities;
- (c) Mains by size;
- (d) Location of valves and fire hydrants;
- (e) Service area clearly drawn on operating area map utilizing proper surveying standards;
- (f) Names of all communities (post offices) served;
- (g) Location of blow off valves;
- (h) Capacity of the system and;
- (i) Location of cross-connection control devices

2.5. **Authorized Utility Representative.** The utility shall advise the commission and ORS of the name, title, address, and telephone number of the person who should be contacted in connection with:

- (a) General management duties;
- (b) Customer relations (complaints);
- (c) Engineering operations;
- (d) Meter test and repairs; and,
- (e) Emergencies during non-office hours.

3. **Performance Bond.** Prior to operating, maintaining, acquiring, expanding or improving any

water utility system, for which commission approval is required, the utility shall have on file with the commission and provide a copy to the ORS a performance bond with sufficient surety using a format prescribed by the commission.

3.1. Amount of Bond. The amount of bond shall be based on, but not limited to, the total amount of the following categories of expenses for twelve months: Operation and Maintenance Expenses, General and Administrative Expenses, Taxes Other Than Income Taxes, Income Taxes, and Debt Service including Interest Expenses. The minimum amount of the bond shall be \$100,000 and the maximum amount of the bond shall be \$350,000 based on the verified expenses of the utility for the preceding twelve-month period. A bond shall be required for each water and wastewater provider under the jurisdiction of the Public Service Commission. A certification that the face amount of the bond on file with the commission complies with the provisions of 103-712.3.1 shall be filed with the annual report required by 103-712.1 of this rule. The ORS shall review the annual reports and certifications and determine whether the present bond of the utility accurately reflects the expenses of the utility. Based upon the expenses of the utility as submitted in the annual report and as reviewed and adjusted by the ORS, the ORS shall make recommendations for increasing or reducing the amount of the bond within the minimum and maximum limits as prescribed by statute.

3.2. Sureties.

3.3. Financial statement. Upon order of the commission, when any individual acts as surety, he shall file with the commission and provide a copy to the ORS annually a financial statement verified by said surety showing the individual surety's personal assets, liabilities and net worth. The commission may accept a verification of the financial statement in a format prescribed by the commission, including third-party verification.

4. Rate Applications

A. When any utility makes application for an increase in existing rates and charges, such application shall not be accepted for filing unless it contains the following information:

- 1) A statement of reason justifying need for proposed rate adjustment;
- 2) Most current available income and expense statement for the preceding twelve months;
- 3) Proposed rate schedule;
- 4) Test year proposed to be used;
- 5) Pro forma income and expense statement using proposed rates applied to proposed test year;
- 6) Balance sheet;
- 7) Depreciation schedule by categories of plant or average service lives;
- 8) Number of present and expected customers in the following twelve months;
- 9) Cost justification for proposed rates and charges, including tap fees; with attached schedules depicting labor costs, materials costs, and miscellaneous costs.

- 10) Filing or updating performance bond in accordance with 103-712.3.
- 11) Current or updated service area map;
- 12) Statement of total plant investment by categories; and,
- 13) Most recent letter of approval from the Department of Health and Environmental Control, dated not more than six (6) months prior to date of application; and
- 14) Customer bill form;
- 15) Annual Report on file and evidence of last period Gross Receipts paid; and
- 16) Any other pertinent or relevant information determined necessary by the commission.

B. When any utility makes application for establishment of service area and rates and charges, such application shall contain the following information:

- 1) Copy of articles of incorporation or partnership agreement;
- 2) Plat of proposed area to be served;
- 3) Copy of engineering plans and specifications designed or certified to be in accordance with good engineering practices by a professional engineer registered in South Carolina;
- 4) Construction permit from the Department of Health and Environmental Control approving engineering plans and specifications;
- 5) Schedule of proposed rates and charges and cost justifications, including tap fees with attached schedules depicting labor costs, materials costs, and miscellaneous costs;
- 6) Number of customers proposed to be served and capacity of system;
- 7) Financial statement showing proposed plant investment by categories;
- 8) Depreciation schedule by categories of plant or average service lives;
- 9) Pro forma income and expense statement showing the effect of using the proposed rates based on plant capacity;
- 10) Filing of performance bond in accordance with 103-712.3.
- 11) Statement by a professional engineer that the system was built and installed according to plans and specifications on file with the commission and will furnish adequate service for the area to be served.
- 12) Letter from Department of Health and Environmental Control approving system for operation, dated not more than six (6) months prior to date of application;

13) Customer bill form; and

14) Other pertinent or relevant information determined necessary by the commission.

103-713. Inspection of Plant and Equipment.

A. Each utility shall, upon request of the ORS, provide to the ORS a statement regarding the condition and adequacy of its plant, equipment, facilities, and service in such form as the commission may require or as the ORS may request.

B. Each utility shall keep sufficient records to give evidence of compliance with its inspection program as set forth in Subarticle 6, 103-760 et seq.

103-714. Interruption of Service.

A. Each utility shall keep a record of any condition resulting in any interruption of service affecting its entire system or major division thereof, or any single community or an important division of a community, including a statement of the time, duration, and cause of any such interruption. The commission and the ORS should be notified of any interruption lasting more than six hours as soon as it comes to the attention of the utility and a complete report will be made after restoration of service.

B. Each utility shall make all reasonable efforts to prevent interruptions of service and, when such interruptions occur, shall endeavor to re-establish service with the shortest possible delay consistent with the safety of its consumers and the general public. Scheduled interruptions shall always be preceded by adequate notice to all affected customers, and will be made at a time that will not cause unreasonable inconvenience to customers.

C. All Water Utilities under the jurisdiction of the commission shall file with the commission and the ORS in writing a notice of any violation of PSC or DHEC rules which affect the service provided to its customers. This notice shall be filed within 24 hours of the time of the inception of the violation and shall detail the steps to be taken to correct the violation, if violation is not corrected at time of occurrence. The Company shall notify the commission and the ORS in writing within 14 days after the violation has been corrected.

103-715. Accidents.

Each utility shall, as soon as possible, report to the ORS each accident happening in connection with the operation of its property, facilities, or service, wherein any person shall have been killed or seriously injured or whereby any serious property damage shall have been caused. Such first report shall later be supplemented by as full a statement provided to the ORS as is possible of the cause and details of the accident and the precautions, if any, which have been taken to prevent similar accidents.

103-716. Complaints.

103-717. Meter History Records.

103-718. Meter Test Records and Reports.

103-719. Accounting Procedures.

All books and records of the utility shall be maintained in accordance with the NARUC Uniform System of Accounts for Class A, B and C Water Utilities to the extent applicable, and such records must be made available for examination by the ORS or its authorized representatives at all reasonable hours. Full cooperation will be provided by the utility during rate adjustment audits or compliance audits conducted by the ORS or its representatives.

SUBARTICLE 3

METERS

103-720. Meter Requirements.

Service shall be measured by meters furnished by the utility, unless otherwise ordered by the commission and such meters shall maintain the degree of accuracy as set forth in 103-722.

103-721. Meter Readings.

103-722. Meter Accuracy and Condition.

103-723. Meter Seal.

103-724. Meter Location.

A. All meters will be furnished, installed, owned, and maintained by the utility, and shall remain its property and be accessible to and subject to its control. Meters shall be located in accordance with good utility practices on the delivery side of the curb stop so as to control the entire water supply furnished to the premises. No meter shall be installed in any location on or off the premises where it may be unreasonably exposed to heat or cold or other cause of damage, or in an inaccessible or hazardous location.

B. Where water is furnished to the customer in accordance with a flat rate, the utility may install and maintain a meter located in accordance with good utility practices. After all customers in the utility's service area have been metered, the utility may make application to the commission and provide a copy to the ORS to obtain approval to change from a flat rate to a metered rate. Upon such application, the ORS will conduct an investigation to determine if a utility should utilize meters and, after hearing, the commission may order the use of metered rates. If no meters are in place, the commission after hearing, may order the installation of meters and the implementation of a metered rate.

C. The utility shall make available to the customer sketches of standard meter installations to demonstrate the way in which the customer's portion of the installation should be made.

D. In the event the customer desires any change in the location or position of the meter, meter box or vault, after they have been installed, such change in location shall be made by the utility at the expense of the customer.

103-725. Change in Character of Service.

103-726. Meter Damage.

SUBARTICLE 4
CUSTOMER RELATIONS

103-730. Customer Information.

Each utility shall:

A. Maintain up-to-date maps, plans, or records of its entire transmission and distribution systems, with such other information as may be necessary to enable the utility to advise prospective customers, and others entitled to the information, as to the facilities available for serving customers within its operating area.

B. Notify each affected customer in writing as prescribed by the commission of any proposed change in rates and charges. A certification that the above notice requirements have been met shall be furnished to the commission by the utility prior to the public hearing.

C. Provide that a complete schedule, contract forms, rules and regulations, etc., as filed with the commission and provided to the ORS, shall also be on file in the local offices of the utility and shall be open to the inspection of the public.

D. Upon request, inform its customers as to the method of reading meters and as to billing procedures, and shall assist prospective customers in selecting the most economical rate schedule applicable.

E. Provide adequate means (telephone, etc.) whereby each customer can contact an authorized representative of the utility at all hours in cases of emergency or unscheduled interruptions of service.

F. Notify any customer making a complaint pursuant to 103-716 that remains unresolved after seven days, that the utility is under the jurisdiction of the commission and the customer may notify the ORS of the complaint.

G. Inform each prospective customer from whom a deposit may be required of the provisions contained in 103-731 and its subsections.

H. Inform each prospective customer that the customer's service line shall conform to all local plumbing codes, and in the absence of such codes shall conform to the Southern Standard Plumbing Codes.

103-731. Customer Deposits.

103-731.1. Amount of Deposit.

103-731.2. Interest on Deposits.

A. Simple interest on deposits at the rate as determined by commission Order shall be paid by the utility to each customer required to make such deposit for the time it is held by the utility, provided that no interest need be paid unless the deposit is held longer than six months.

B. The interest shall be accrued annually and payment of such interest shall be made to the customer at least every two (2) years and at the time the deposit is returned.

C. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated, or on the date notice is sent to the customer's last known address that the deposit is no longer required.

103-731.3. Deposit Records.

103-731.4. Deposit Receipt.

103-731.5. Deposit Retention.

103-731.6. Unclaimed Deposits.

A record of each unclaimed deposit must be maintained for at least one year during which time the water utility shall make a reasonable effort to return the deposit. Unclaimed deposits, together with accrued interest, shall be turned over to the South Carolina State Treasurer as prescribed by law.

103-731.7. Deposit Credit.

103-732. Customer Billing.

103-732.1. New Service.

103-732.2. Customer Bill Forms.

103-732.3. Late Payment Charges.

103-732.4. Payment by Check.

The utility at its option for good cause may refuse to accept a check tendered as payment on a customer's account, and require payment in cash or other certified funds. Good cause must be justified by a water utility by evidencing a credit history problem or by evidencing insufficient funds of the utility customer or applicant. For the purposes of this regulation, the water utility may not consider indebtedness that was incurred by the customer or any member of his household more than six (6) years prior to the time of application.

103-732.5. Charges for Discontinuance and Reconnection.

Whenever service is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of service, or at the request of the customer, the utility may make reasonable charges to be approved by the commission for the cost incurred in discontinuing the service and reconnection and require payment for service billed and for service used which has not previously been billed.

103-732.6. Estimated Bills.

103-732.7. Deferred Payment Plan.

The utility shall provide for the arrangement of a deferred payment plan to enable a residential customer to make payment by installments where such customer is unable to pay the amount due for water service. The deferred payment plan shall require the affected customer to maintain his account current and pay not less than 1/6 of the outstanding balance for a period not to exceed six months. The outstanding balance may include the late payment charge authorized by R.103-732.3. Service to such customer shall not be terminated unless the utility has informed the customer that such deferred payment plan is available. A deferred payment plan is any agreement to extend or defer a payment cut-off date by more than 5 work days. If a Customer defaults on a Deferred Payment Plan, the Utility may terminate service pursuant to 103.735.1 (H).

103-733. Adjustments of Bills.

103-733.1. Fast or Slow Meters.

103-733.2. Customer Inadvertently Overcharged.

103-733.3. Customer Inadvertently Undercharged.

103-733.4. Customer Willfully Overcharged.

If the utility has willfully overcharged any customer, the utility shall refund the difference, plus interest, as prescribed by the commission for the period of time that can be determined that the customer was overcharged.

103-733.5. Customer Undercharged Because of Fraud or Willful Misrepresentation.

103-734. Applications for Service.

A. All applications for water service may be made orally or in writing.

B. The accepted application shall constitute a contract between the company and the applicant, obligating the applicant to pay for water service in accordance with the utility's tariff currently on file with the Public Service Commission and the ORS, and to comply with these rules and regulations.

C. When a customer desires to have his service terminated, he must notify the utility and such notification may be orally or in writing. The utility shall be allowed a reasonable period of time after the receipt of such notice to take a final reading of the meter and to discontinue service.

103-735. Denial or Discontinuance of Service.

Service may be refused or discontinued for any of the reasons listed below. Unless otherwise stated, the customer shall be allowed a reasonable time in which to comply with the rule before service is discontinued.

A. Without notice in the event of a condition determined by the utility, the commission by Order, or the Department of Health and Environmental Control to be hazardous or dangerous.

B. Without notice in the event of customer use of equipment or service in such a manner as to

affect adversely the utility's service to others.

C. Without notice in the event of unauthorized use of the utility's service.

D. For customer tampering with equipment furnished and owned by the utility. The customer shall make every reasonable effort to prevent tampering, and shall notify the utility immediately of any tampering with, damage to, or removal of any equipment.

E. For violation of and/or non-compliance with the commission's regulations governing service supplied by the utility.

F. For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulation by the commission.

G. For failure of the customer to permit the utility reasonable access to its equipment.

H. For failure of the customer to provide the utility with a deposit as authorized by 103-731.

I. For failure of the customer to furnish permits, certificates, and rights-of-way as necessary to obtaining service, or in the event such permissions are withdrawn or terminated.

J. For illegal willful misuse of utility's service by the customer.

K. For failure of the customer to comply with reasonable restrictions on the use of water, as imposed under 103-772 provided that notice has been given to the customer and that written notice has been furnished to the ORS.

L. No water utility shall be required to furnish its water service or to continue its service to any applicant who, at the time of such application, is indebted or any member of his household is indebted, under an undisputed bill to such water utility for water service previously furnished such applicant or furnished any other member of the applicant's household. However, for the purposes of this regulation, the water utility may not consider any indebtedness which was incurred by the applicant or any member of his household more than six (6) years prior to the time of application.

M. The utility may discontinue a customer's service should that customer be in arrears on an account for service at another premise, unless the customer pays a reasonable amount of his arrears account and makes reasonable arrangements with the utility to amortize the balance of such past-due account over a reasonable length of time, not to exceed 12 months.

N. The customer's use of the utility's service conflicts with, or violates order, ordinances or laws of the State, or any subdivision thereof or the commission.

103-735.1. Procedures for Termination of Service.

(A) Service may be terminated for non-payment of a bill, provided that the water utility has made a reasonable attempt to effect collection and has given the customer written notice, sent by regular mail to the customer's billing address, that he has ten days in which to make settlement on his account or have his service disconnected. Service will be terminated only on Monday through Thursday between the hours of 8:00 A.M. and 4:00 P.M., unless provisions have been made to have someone available to accept payment and reconnect service.

(B) Service may be terminated for non-payment of any connection charge properly imposed by the utility and owed by the customer provided that the utility has made a reasonable attempt to effect collection and has given the customer 30 days written notice, sent by certified mail to the customer's billing address, with a copy forwarded to the ORS. A connection charge owed by a third party or a previous occupant or owner of premises is not deemed to be owed by the current customer, and that current customer's service may not be disconnected under such circumstances. At the expiration of the 30 day period, the utility shall post a second notice by certified mail to the customer advising that in not less than 10 days nor more than 30 days, his service may be disconnected at any time without further notice. The utility must inform the customer in the notice that the customer can contact the ORS if the customer disputes the discontinuance of service.

103-736. Insufficient Reasons for Denying Service.

103-737. Right of Access.

1. The authorized agents of the utility shall have the right of access to the premises supplied with water, at reasonable hours, for the purpose of maintenance and reading of meters, examining fixtures, protective device and pipes, observing the manner of using water, and for any other purpose which is proper and necessary in the conduct of the utility's business.

2. When a water line which is property of a utility is on the property of a resident in the utilities' service area which is on file with the ORS, the resident shall provide reasonable access to the utility for the maintenance thereof. Any damage done to the property by the utility shall be corrected by the restoration of comparable grass, shrubbery and trees from nursery stock to conform the condition before the maintenance process began.

103-738. Customer Complaints.

A. Complaints concerning the charges, practices, facilities, or service of the utility shall be investigated promptly and thoroughly. The utility shall keep records of customer complaints as will enable it and the ORS to review and analyze its procedures and actions. All customer complaints shall be processed by the utility pursuant to 103-716 and 103-730.F.

B. When the ORS has notified the utility that an oral complaint has been received concerning a specific account and the ORS has received notice of the complaint before service is terminated, the utility shall not discontinue the service of that account until the ORS's investigation is completed and the results have been received by the utility. Service shall not be discontinued if the complainant requests in writing a hearing before the commission.

103-739. Tariffs, Rules and Regulations.

A copy of the utility's tariffs as filed with the commission and provided to the ORS shall be on file in the local business offices of the utility and shall be available for public inspection.

103-740. System Which Utility Must Maintain.

Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate and maintain in safe, efficient and proper conditions all of its facilities and equipment used in connection with the services it provides to any customer up to and including

the point of delivery into systems or facilities owned by the customer.

103-741. Replacement of Meters.

103-742. Waste of Water.

103-743. Contracts.

No utility shall execute or enter into any agreement or contract with any person, firm, partnership, or corporation or any agency of the Federal, state, or local government which would impact, pertain to, or effect said utility's fitness, willingness, or ability to provide water service, including but not limited to the treatment of said water, without first submitting said contract in form to the commission and the ORS and obtaining approval of the commission.

SUBARTICLE 5

ENGINEERING

103-750. Requirement for Good Engineering Practice.

103-751. Acceptable Standards.

Unless otherwise specified by the commission, each utility shall use the guideline of the Department of Health and Environmental Control as minimum standards of good engineering practices.

103-752. Acceptable References.

Unless otherwise specified by the commission, the utility shall use the applicable provisions in the publications listed below as operational requirements, where applicable, and standards of accepted good practice.

(a) The most current edition of the Community Water Systems, Ameen

(b) The most current edition of the Manual of Individual Water Systems

103-753. Adequacy of Service.

103-754. Inspection of Utility Plant.

103-755. Temporary Service.

103-756. Engineering Analysis.

A. The ORS or its authorized representatives may survey anticipated extensions of water line and the utility will assist in such survey and provide all pertinent data necessary to determine cost and feasibility of extending such lines.

B. The utility shall assist in the verification of tests of water meters made by ORS or its authorized representative.

C. The utility shall provide the ORS and its representatives access to all utility property when the ORS undertakes to verify inventories of utility plant systems, or obtain other necessary information.

SUBARTICLE 6

INSPECTION AND TESTS

103-760. Utility Inspections and Tests.

A. Each utility shall, unless specifically excused by the commission, provide such laboratory, meter-testing equipment and other equipment and facilities as may be necessary to make the tests required of it by these rules or other orders of the commission. The apparatus and equipment so provided shall be subject to the approval of the commission, and it shall be available at all times for the inspection of any member or authorized representative of the ORS.

B. Upon request by a customer and at no charge, the utility shall make a test of the meter serving him, provided that such tests need not be made more frequently than once in 24 months.

- 1) The customer, or his representative, may be present when his meter is tested.
- 2) A report of the results of the test shall be made to the customer within a reasonable time after the completion of the test, and a record of the report, together with a complete record of each test, shall be kept on file at the office of the utility.

103-761. ORS Inspection and Tests.

The ORS shall make tests of meters as follows:

- (a) Upon written application to the ORS by a customer or a utility, a test will be made of the customer's meter as soon as practicable.
- (b) On receipt of such request the ORS will notify the utility and the utility shall not knowingly remove or adjust the meter until instructed by the ORS. The utility shall furnish to the ORS's representative such reasonable assistance as may be required to make the test.
- (c) The customer, or his representatives, may be present when his meter is tested.
- (d) The ORS will make a written report of the results of the test to the customer and to the utility.

103-762. Test Procedures and Accuracies.

103-763. Facilities and Equipment for Testing.

Each utility shall maintain or designate a meter shop for the purpose of inspecting, testing and repairing meters. The shop shall be open for inspection by authorized representatives of the ORS at all reasonable times, and the facilities and equipment, as well as the methods of measurement and testing employed, shall be subject to the approval of the commission. The accuracy of the test equipment and test procedures shall be such that the overall error will not exceed .03%.

1. Working Standards.

A. Each meter shop maintained or designated by a utility shall have at least one calibrated tank available for volumetric measurement or a tank mounted upon scales for weight measurement. The tank shall be of sufficient capacity to insure an acceptable determination of the accuracy of the utility's meters.

B. The utility may use a portable test meter, approved by the commission for use as a standard, for the purpose of testing meters.

C. Reasonable care must be exercised in the use and handling of standards to assure that their accuracy is not disturbed. Each standard shall be accompanied at all times by a certificate or calibration card, duly signed and dated, on which are recorded the corrections required to compensate for errors found at the customary test points at the time of the last previous test.

2. Meter Prover. The accuracy of all provers and methods of operating them will be established from time to time by a representative of the ORS. All alterations, accidents, or repairs which might affect the accuracy of any meter prover or the method of operating it shall be promptly reported in writing to the ORS.

SUBARTICLE 7

STANDARDS AND QUALITY OF SERVICE

103-770. Quality of Service.

103-771. Interruptions of Service.

A. Each utility shall make reasonable efforts to avoid interruptions of service, but when interruptions occur, service shall be re-established within the shortest time practicable, consistent with considerations of safety.

B. Scheduled interruptions shall be made at a time that will not cause unreasonable inconvenience to customers and shall be preceded by adequate notice to those who will be affected.

C. Each utility shall maintain records and notify the commission and the ORS of any interruption in its service in accordance with 103-714.

D. If an interruption affects the service of any public fire protection system, the utility shall immediately notify the public official responsible for fire protection.

E. When the system pressure is provided through mechanical means, emergency standby pumping equipment or other adequate facilities shall be available to maintain pressure in the mains in the event of failure of the primary pumping facilities.

103-772. Restrictions of the Use of Service.

A. The utility may impose reasonable restrictions on the outdoor use of water during period of shortage of supply, excessive demand or other difficulty which jeopardizes the supply of water to any group of customers.

B. The utility may impose reasonable restrictions on the use of water by customers who use large quantities of water and thereby create conditions which prevent the company from supplying satisfactory service to that customer, or to other customers.

C. If a utility finds that it is necessary to restrict the use of water, it shall notify the customers, and give the commission and ORS written notice before such restriction becomes effective, except in the event of an emergency, when such notification may be made by telephone. Such notifications shall specify:

- 1) The reason for the restriction.
- 2) The nature and extent of the restriction, (e.g., on outdoor use of water, use by certain classes of customers, etc.).
- 3) The date such restriction is to go into effect.
- 4) The probable date of termination of such restriction.

103-773. Pressure Tests.

A. Each utility having more than 100 customers must have at least one portable recording pressure gauge available.

B. Pressure measurements should be made at the customer's meter, or if no meter, customer's curb stop. If no outlet is available at this point, then the measurement may be made at the nearest available outlet, making due allowance for any pressure differential between the point of measurement.

C. Each utility shall make a sufficient number of pressure measurements in order to determine if pressures throughout the system are in compliance with the requirements of 103-774.

D. Each utility shall keep records of each test of pressures. These records shall include, as a minimum, the date, time, and location where the test was conducted. Pressure records shall be retained by the utility for at least two years and shall be made available for inspection by the ORS at all reasonable times.

103-774. Pressure Limits.

SUBARTICLE 8

SAFETY

103-780. Acceptable Standards.

As criteria of accepted good safety practice the commission will use the applicable provisions of the standards referred to in 103-751.

103-781. Protective Measures.

A. Each utility shall exercise reasonable care to reduce the hazards to which its employees, its

customers, and the general public may be subjected.

B. The utility shall give reasonable assistance to the ORS in the investigation of the cause of accidents and shall give reasonable assistance to the commission and the ORS in the determination of suitable means of accident prevention.

C. Each utility shall maintain a summary of all reported accidents arising from its operations.

103-782. Safety Program.

Fiscal Impact Statement: There will be no increased costs to the State or its political subdivisions.

Statement of Rationale: The purpose of the revisions to 26 S.C. Code Ann. Regs. 103-500, *et. seq.* and 26 S.C. Code Ann. Regs. 103-700, *et. seq.* is to conform the Public Service Commission's sewerage and water utilities' regulations with Act No. 175 of 2004. There was no scientific or technical basis relied upon in the development of these regulations.